

## Outpatient Prospective Payment System Reduction Factor History

Reimbursement to outpatient hospitals, including off-campus satellite clinics, hospital-owned ambulance services, freestanding dialysis centers (ESRDs), comprehensive outpatient rehabilitation facilities (CORFs), and rehabilitation agencies for outpatient services is made in accordance with Medicaid's Outpatient Prospective Payment System (OPPS). No facilities (i.e. critical access or children's hospitals) are excluded from Medicaid's Ambulatory Payment Classification reimbursement methodology. Payment made under OPPS is calculated utilizing current Medicare rates, with a MDCH reduction factor applied, unless otherwise noted in Outpatient Section of the Medicaid Provider Manual, Hospital Chapter Appendix.

Below is a historical listing of the MDCH reduction factor.

| Effective Dates   | Reduction Factor | Transmittal Bulletin |
|-------------------|------------------|----------------------|
| 4/1/07 – 7/31/07  | 67.4%            | MSA 07-12            |
| 8/1/07 – 12/31/07 | 63.0%            | MSA 07-41            |
| 1/1/08 – current  | 60.9%            | MSA 07-66            |